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TAGS: [PGOV](#) [PINR](#) [KCOR](#) [BG](#)

SUBJECT: FORMER PM KHALEDA ZIA ARRESTED ON CORRUPTION  
CHARGES

REF: DHAKA 1418

Classified By: A/DCM JON DANILOWICZ, Reasons 1.4 (B) and (D)

¶1. (C) Summary: Former Prime Minister Khaleda Zia, head of the Bangladesh National Party (BNP) and her son Arafat Rahman (&Koko8), were arrested in Dhaka September 3 on charges filed by Bangladesh,s Anti-Corruption Commission. The charges relate to the awarding of a bid for a shipping container project to an unqualified bidder. Following her arrest, Zia announced changes in the BNP leadership. Given that Zia,s archrival, Sheikh Hasina of the Awami League, is already in detention, the arrest of Zia was widely anticipated. Sidelining the two leaders is seen by some as a necessary step before the caretaker government proceeds with elections. Public reaction to the arrest has been muted. End Summary.

¶2. (U) On the morning of September 3 law enforcement personnel arrested Khaleda Zia and her younger son Arafat Rahman ("Koko") and swiftly transported them to Dhaka,s Chief Metropolitan Magistrate court. Security around the court was extremely tight, with hundreds of police limiting access to the premises. A magistrate ordered Khaleda Zia sent to prison and remanded her son to law enforcement authorities for interrogation for a period of seven days. A crowd of Zia supporters gathered outside the court and chanted slogans as she emerged from the building. She is being imprisoned at a government-owned house -- located near Bangladesh,s Parliament building -- that has been designated a sub-jail. (NOTE: Sheikh Hasina is being detained in an identical fashion, i.e. in a house that has been declared a sub-jail. END NOTE.)

¶3. (U) The case against Zia and her son relates to the awarding of a contract for the construction of an inland container terminal near Dhaka,s main railway station. The company that won the contract was owned by a relative of Lieutenant Colonel Akbar Hussein, the Shipping and Port Minister during Zia,s tenure as Prime Minister. Prosecutors allege that PM Zia improperly influenced the bid process.

¶4. (SBU) Following her arrest Zia ordered the removal of Abdul Mannan Bhuiyan as Secretary General of the BNP, along with the removal of Joint Secretary General Ashraf Hossein. For months it has been widely understood that Bhuiyan aspired to take over the leadership of the BNP and to rid the party of its corrupt tendencies. While not opposing Zia publicly, Bhuiyan has been under pressure from other party members to challenge her leadership. Bhuiyan is expected to challenge his dismissal.

¶5. Post,s response to press inquires is as follows.  
QUOTE: We are aware that former Prime Minister Khaleda Zia

has been arrested. All individuals should be treated fairly and receive the full range of their legal and constitutional rights. It is also incumbent upon the government to prove its case in a court of law. We are following all cases to see if they meet international standards of due process. END QUOTE.

16. (C) Comment: There is a perceived need for the Caretaker Government to treat former Prime Ministers Khaleda Zia and Sheikh Hasina in an even-handed manner. Zia,s arrest is seen as a logical next step to Sheikh Hasina,s arrest in particular and the government,s anti-corruption drive in general. Furthermore, Bangladesh,s Election Commission last week announced a schedule for engaging in a dialogue with political parties on the question of elections, (septel) and in a meeting with the Charge d,Affaires, Chief of Army Staff General Moeen indicated that a raft of changes - including a lifting of the ban on indoor politics and an expansion of the Council of Advisors -- were imminent. (Reftel) The removal of both Khaleda Zia and Sheikh Hasina from politics is widely seen as necessary to facilitate these changes and the progress of the country toward elections. PASI